



# House of Representatives

General Assembly

**File No. 342**

February Session, 2022

House Bill No. 5448

*House of Representatives, April 6, 2022*

The Committee on Insurance and Real Estate reported through REP. WOOD, K. of the 29th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2022*) No insurance company
- 2 doing business in this state, third-party claims administrator, agent or
- 3 adjuster for such company providing employment practices liability
- 4 coverage shall require an insured to pay for the privilege of selecting
- 5 legal counsel of their choice for representation in a legal claim covered
- 6 under said policy.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2022</i>	New section
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**INS**      *Joint Favorable*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

There is no fiscal impact from the bill, which prevents insurance companies offering employment practices liability coverage from including a provision in their policies after October 1, 2022.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****HB 5448*****AN ACT CONCERNING EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICIES.*****SUMMARY**

This bill prohibits employment practices liability insurers from requiring an insured to pay for the privilege of choosing legal counsel to represent them in a legal claim the policy covers. The bill applies to insurers doing business in Connecticut providing employment practices liability insurance coverage and any of their third-party administrators, agents, or adjusters.

In practice, employment practices liability insurance covers defense costs and damages related to employment-related claims, such as discrimination or wrongful termination.

EFFECTIVE DATE: October 1, 2022

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 17    Nay 0    (03/22/2022)